

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP
CITY OF COLLEGE STATION
AUGUST 15, 2016

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry, Mayor

Council:

Blanche Brick
Steve Aldrich
Karl Mooney
John Nichols
Julie Schultz
James Benham

City Staff:

Kelly Templin, City Manager
Chuck Gilman, Deputy City Manager
Jeff Kersten, Assistant City Manager
Jeff Capps, Assistant City Manager
Aubrey Nettles, Special Projects Coordinator
Carla Robinson, City Attorney
Sherry Mashburn, City Secretary

1. Call to Order and Announce a Quorum is Present

With a quorum present, the Budget Workshop of the College Station City Council was called to order by Mayor Nancy Berry at 3:12 p.m. on Monday, August 15, 2016 in the CSU Meeting/Training Facility, 1603 Graham Road, College Station, Texas 77842.

2. Presentation, possible action, and discussion on the FY 2016-2017 Proposed Budget.

Jeff Kersten, Assistant City Manager, provided a review of the proposed FY16-17 budget and citywide budget issues. Public hearings for the tax rate are scheduled for August 31 and September 8, both at 7:00 p.m. Key decision points include Public Safety resources, maintaining existing infrastructure, including streets and transportation systems, service level increases to address growth and maintenance needs; the tax rate, etc. The budget and tax rate are scheduled to be adopted September 22.

GENERAL FUND

Revenues

Sales Tax, our largest revenue stream, accounts for 35.19%. The FY16 forecast is 1% higher than FY15. Staff is projecting a 2% increase over FY16 year-end estimate for an estimated revenue of \$27.5 million.

Ad valorem taxes account for 27.56% of our general fund revenues. Our certified property valuation is \$7.99 billion, for an approximate 11.89% increase in value over last year. \$284 million is new value. We are continuing to see growth on the property value side. Our current tax rate is 45.25 cents. The effective tax rate is 42.4282 cents and generates approximately the same revenues on the same properties this year as last year. The rollback rate is calculated at 47.2820 cents. The property tax revenues coming into the General Fund will be \$21.5 million, and the Debt Service Fund portion will be \$15.1 million. Staff is proposing a tax rate of 47.25 cents. Council will need to discuss the tax rate, vote to increase tax revenues, and call and hold the Public Hearings on the tax rate to be considered.

Street maintenance is a top priority. A Roadway Maintenance Fee is being considered with a dollar amount of \$10 for residential customers and a corresponding fee for commercial customers. This would generate approximately \$4 million in annual revenue.

Total transfers from all Utilities are being proposed in the amount of \$11,765,233 for 15.06% of General Fund revenues.

Minimal changes are proposed in other revenue categories such as licenses and permits, charges for service, etc. There is a proposed increase in development fees.

Expenditures

Police and Fire account for almost half of the expenditures. Department summaries were provided, along with Service Level Adjustments and proposed projects:

- Police: Five patrol officers, two vehicles, one CID police assistant, one digital evidence technician, departmental maintenance items, and a tactical budget. The Service Level Adjustment is a little over \$933,000.
- Fire: CEOC technology replacement, Phase 3 of 3 – Station 6 staffing (five firefighter positions), equipment and supplies, and self-contained breathing apparatus replacements (budgeted in CIP). The Service Level Adjustment is a little over \$764,000.
- Public Works: \$3,362,740 in service level adjustments for additional street repair funds (contingent on Roadway Maintenance Fee), pavement management assessment, traffic signs and markings maintenance, warrant/intersection safety studies, transportation improvement studies, corrective facilities maintenance increases, tree maintenance program, equipment purchases, and Texas Avenue planter box replacement (budgeted in CIP).

At 4:37 p.m., the Mayor recessed the Budget Workshop.

The Budget Workshop reconvened at 5:05 p.m.

- Parks and Recreation: \$405,248 in service level adjustments for three groundworker positions, CAPRA reaccreditation, equipment purchases, and operations and maintenance increases. Asset management plan items are budgeted in CIP. Also included are items that are 25% - 100% funded by hotel occupancy funds: various equipment purchases, pavilion fans, event bid fulfillments, event preparation and related travel. Revenue projections for recreation programs are \$872,650 with expenditures of \$3,299,759. The FY17 estimated subsidy is \$2,427,109.
- Library: \$82,260 in service level adjustments for books and increased operations and maintenance proposed by the City of Bryan.
- Planning and Development Services: \$384,251 in service level adjustments for a graduate engineer, combination building inspector, engineering construction inspector, and implementation of neighborhood plans.
- Information Technology: \$49,000 in service level adjustments for server access management and security awareness training.
- Fiscal Services: \$119,682 in service level adjustments for temporary labor for ERP implementation and a payroll clerk.
- General Government: \$406,457 in service level adjustments, including the City Manager's Office (ADA compliance upgrades, assistive technology and training), the City Secretary's Office (Municode recodification), Legal (Assistant City Attorney and Municode legal review), and Human Resources (ERP temporary support, safety program resources, and recruiting resources).

\$1.7 million has been budgeted in the General Fund for the pay plan. The pay plan proposal includes continuing the new salary structure implementation, 3% performance pay pool, 3% market increase and Police Step Plan, aligning the structure in the new pay structure plus a 3% performance pay for Fire, and targeted adjustments based on market demands and career progression.

Non-departmental expenditures include:

- General and Administrative transfers to offset expenditures incurred by service departments.
- Public Agency Funding for various public agencies, such as Lions Club, RVP, Arts Council, Health District, Appraisal District, and Animal Shelter.
- Rental of additional office space
- Other transfers-out to the Economic Development Fund, to Northgate Parking Fund for non-parking expenditures, and to Sanitation Fund for street sweeping.
- Contingency
- Other transfers-in from HOT Fund for qualifying tournaments and special events and for Public Communications staffing and marketing, from Benefits Fund for Fitlife programs for Police and Fire, from Drainage Fund for streets, and from various CIP Funds to offset cost of project management.

GENERAL FUND FINANCIAL FORECAST

Revenues: We will continue with conservative revenue estimates and includes property value and tax rate increases.

Expenditures: New expenditures as proposed, the Pay Plan as proposed, and includes the estimated O&M on CIP projects.

At 6:29 p.m., the Mayor recessed the Budget Workshop.

The Budget Workshop reconvened at 6:39 p.m.

GENERAL GOVERNMENT CAPITAL PROJECTS

Streets and Transportation: street rehabilitation projects, extension and capacity improvement projects, traffic projects, pedestrian projects including University Drive Pedestrian Improvements Phase II and future sidewalk projects, including Sidewalk Zone projects.

Parks: field redevelopment projects, Lincoln Center expansion, aquatics renovations/improvements, and system-wide park improvements.

Parkland: Fun For All Playground design, various park development projects, improvements at Raintree Park and John Crompton Park, and minor amenity improvements at various parks.

Facilities Projects: Facility projects include a library expansion, storage tank and containment rehabilitation, Public Works compliance upgrades, City gateway signage, new Police Station building construction, and Community Center planning/design. Council consensus was to add a second gateway sign to the budget.

Technology Projects: Technology projects include ERP system replacement, CAD/RMS (Public Safety) system replacement, fiber optic infrastructure, website design, storage upgrade, and fuel system software replacement. Capital equipment purchases include Fire Department self-contained breathing apparatus replacement and Police and Fire radio replacement.

DEBT SERVICE FUND

The FY17 rate of 19.5339 cents will generate an estimated property tax revenue of \$15,129,437 and will satisfy the FY17 debt service requirement. 50% of the Cemetery debt service will be paid from the tax rate in FY17.

3. Presentation, possible action and discussion on the 2016-2017 ad valorem tax rate; and calling two public hearings on a proposed ad valorem tax rate for FY 2016-17.


This item was not discussed.

4. Adjournment

MOTION: There being no further business, Mayor Berry adjourned the budget workshop of the College Station City Council at 7:33 p.m. on Monday, August 15, 2016.


Nancy Berry, Mayor

ATTEST:


Sherry Mashburn, City Secretary